



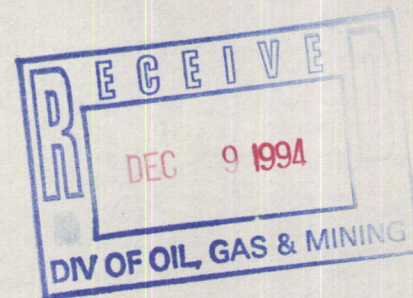
Michael O. Leavitt
Governor

Scott Hirschi
Director

State of Utah

School and Institutional
Trust Lands Administration

355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, UT 84180-1204
801-538-5508
801-355-0922 (fax)



December 7, 1994

CERTIFIED MAIL NO. P 879 605 408

Attn: Vicki Hoffsetz
Energy Fuels Ltd.
One Tabor Center
Suite 2500
1200 Seventeenth Street
Denver, CO 80202

LA SAL - SNOWBALL

Dear Ms. Hoffsetz:

RE: ML 18301, ML 27247, and ML 27248--Metalliferous Minerals
ACT/037/026

Article II of the above-numbered leases stipulates that the leases may only be extended beyond their primary term of ten years by commercial production or diligence in operations. Diligence must be shown by including the leased lands in a mining or exploration plan approved by the Lessor.

No production has been reported from the leases since 1990 and the lands are not within a current mining or exploration plan approved by this Agency.

The Trust Lands Administration has received no response to its May 9, 1994, and October 18, 1994, written requests that Lessee provide information regarding diligent operations.

Lessee is hereby advised that the above-numbered leases will expire on December 31, 1994, for Lessee's failure to meet requirements for commercial production or diligent operations during the 1994 lease year. Upon termination of the leases the Lessee forfeits all operating rights except for reclamation of any areas disturbed by past; mineral activities pursuant to the leases. The lands will subsequently be competitively offered for lease through a simultaneous filing procedure.

Sincerely,

JOHN T. BAKE
MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: Tony Gallegos